

INTERIM FINANCIAL REPORT FOR THE  
 QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
 FINANCIAL POSITION AS AT 31 MARCH 2016

	NOTE	31-Mar-16 RM'000	30-June-15 (Audited) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		316	637
Fixed deposits with licensed banks		978	987
		<u>1,294</u>	<u>1,624</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables		2,356	5,490
Current tax assets		221	493
Cash and cash equivalents		635	490
		<u>3,212</u>	<u>6,473</u>
<b>TOTAL ASSETS</b>		<u>4,506</u>	<u>8,097</u>
<b>EQUITY</b>			
Share capital		20,000	20,000
Share premium		18,160	18,160
Accumulated Loss		(44,544)	(44,002)
		<u>(6,384)</u>	<u>(5,842)</u>
Equity attributable to Owners of the company		<u>(6,384)</u>	<u>(5,842)</u>
<b>TOTAL EQUITY</b>		<u>(6,384)</u>	<u>(5,842)</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	B7	167	245
		<u>167</u>	<u>245</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		10,654	11,571
Borrowings	B7	69	2,123
		<u>10,723</u>	<u>13,694</u>
<b>TOTAL LIABILITIES</b>		<u>10,890</u>	<u>13,939</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,506</u>	<u>8,097</u>
<b>NET ASSETS PER SHARE (SEN)</b>		<u>(3.19)</u>	<u>(2.92)</u>

**Notes:**

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Notes to Interim Financial Reports and the audited financial statements of the Company for the 18-month financial period ended 30 June 2015.*

INTERIM FINANCIAL REPORT FOR THE  
 QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Quarter 31-Mar-16 RM'000	Preceding Year Corresponding Quarter 31-Mar-15 RM'000	Current Year To Date 31-Mar-16 RM'000	Preceding Year Corresponding Period 31-Mar-15 RM'000
Revenue		1,884	5,937	6,223	12,814
Cost of sales		(1,125)	(4,492)	(3,104)	(9,276)
Operating expenses		(1,017)	(1,432)	(3,382)	(5,319)
Other operating income		5	100	105	705
Finance costs		(40)	(42)	(384)	251
Profit/(Loss) before tax		(293)	71	(542)	(825)
Income tax expense		-	588	-	433
Profit/(loss) from continuing operations, net of tax		(293)	657	(542)	(392)
<b>DISCONTINUED OPERATIONS</b>					
Loss from Discontinued Operations		-	-	-	-
Net profit/(loss) for the financial period		(293)	657	(542)	(392)
Profit/(loss) attributable to:					
Owner of the Company		(293)	657	(542)	(392)
Non-controlling interests		-	-	-	-
		(293)	657	(542)	(392)
Basic earnings/ (loss) per ordinary share of RM0.10 each (sen)	B10	(0.015)	0.033	(0.27)	(0.19)
Diluted earnings per ordinary share of RM0.10 each (sen)	B10	N/A	N/A	N/A	N/A

INTERIM FINANCIAL REPORT FOR THE  
 QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter 31-Mar-16 RM'000	Preceding Year Corresponding Quarter 31-Mar-15 RM'000	Current Year To Date 31-Mar-16 RM'000	Preceding Year Corresponding Period 31-Mar-15 RM'000
Profit/(Loss) for the period	(293)	657	(542)	(392)
Other comprehensive profit/(loss):				
Foreign currency translations	-	-	-	-
Other comprehensive profit/(loss) for the period	-	-	-	-
Total comprehensive profit/(loss) for the period	(293)	657	(542)	(392)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	(293)	657	(542)	(392)
Non-controlling interests	-	-	-	-
	(293)	657	(542)	(392)

**Notes:**

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to Interim Financial Reports and the audited financial statements of the Company for the 18-month financial period ended 30 June 2015.*

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Foreign exchange reserves	Reserve of disposal group classified as held for	Accumulated losses				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 July 2015	20,000	18,160	-	-	(44,002)	(5,842)	-	(5,842)	
Total comprehensive loss for the period	-	-	-	-	(542)	(542)	-	(542)	
Balance as at 31 March 2016	20,000	18,160	-	-	(44,544)	(6,384)	-	(6,384)	
Balance as at 1 January 2014	20,000	18,160	-	(66)	(24,810)	13,284	(70)	13,214	
Net loss for the financial period	-	-	-	-	(19,122)	(19,122)	-	(19,122)	
Disposal of a subsidiary	-	-	-	-	(4)	(4)	70	66	
Reclassification adjustment upon disposal of subsidiary	-	-	-	66	(66)	-	-	-	
Balance as at 30 June 2015 (Audited)	20,000	18,160	-	-	(44,002)	(5,842)	-	(5,842)	

Notes:

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to Interim Financial Reports and the audited financial statements of the Company for the 18-month financial period ended 30 June 2015.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE PERIOD ENDED 31 MARCH 2016

	31-Mar-16 RM'000	31-Mar-15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	8,476	11,356
Cash payments to suppliers	(1,669)	(5,040)
Cash payments to employees and for administrative expenses	(4,587)	(6,315)
	<hr/>	<hr/>
Cash generated from/(used in) operations	2,220	1
Other income received	72	520
Interest received	0.01	360
	<hr/>	<hr/>
Net cash generated from operating activities	2,292	881
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(417)
Proceed from disposal of property, plant and equipment	34	-
Placement / (Withdrawal) of fixed deposit	(9)	1,064
	<hr/>	<hr/>
Net cash generated from investing activities	25	647
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(1,888)	(1,630)
Repayment of hire purchase liabilities	(285)	(179)
	<hr/>	<hr/>
Net used in financing activities	(2,173)	(1,809)
<i>Net increase / (decrease) in cash and cash equivalents</i>	144	(281)
<i>Cash and cash equivalents brought forward</i>	491	438
	<hr/>	<hr/>
<i>Cash and cash equivalents carried forward</i>	635	157
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	635	157
Fixed deposits with licensed banks	-	-
	<hr/>	<hr/>
	635	157

**Notes:**

*The Condensed consolidated Statements of Cash Flows should be read in conjunction with the Notes to Interim Financial Reports and the audited Financial Statements of the Company for the 18-month financial period ended 30 June 2015.*

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016**

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**A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 INTERIM FINANCIAL REPORTING**

**A1 Basis of Preparation**

This interim financial statements of the Company and its subsidiaries ("Group") are unaudited and has been prepared in accordance with MFRS 134 (Interim Financial Reporting) issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities").

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The interim financial statements should be read in conjunction with the audited financial statements for the 18-month financial period ended 30 June 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 18-month financial period ended 30 June 2015.

**A2 Auditors' Report on Preceding Annual Financial Statements**

The auditors of the Company had issued a disclaimer of opinion report on the Company's and Group's financial statements for the 18-month financial period ended 30 June 2015.

**A3 Seasonal or Cyclical Factors**

The Group's core business is in Information Technology, where the revenue streams are mainly project driven.

**A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence during the current financial quarter under review.

**A5 Material Changes in Estimates**

There were no changes in estimates of amounts which may have a material effect in the current financial quarter under review.

**A6 Debts and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

**A EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134 INTERIM FINANCIAL REPORTING (CONT'D)**

**A7 Valuation of Property, Plant and Equipment**

The Group did not carry out any valuation of its property, plant and equipment.

**A8 Material Events Subsequent to the Financial Quarter**

On 18 May 2016, the Company had announced its decision to not submit an application to Bursa Securities for an extension of time to submit a regularisation plan to regularize its financial condition and to uplift its Guidance Note 3 ("GN3") status.

Save for the above and those disclosed in Note B8, there were no material events subsequent to this financial quarter.

**A9 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the quarter under review.

**A10 Contingent Liability**

The Group does not have any contingent liability as at the date of the announcement other than those disclosed in Note B8.

**A11 Significant Related Party Transactions**

There were no significant related party transactions during the financial quarter under review.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1 Performance Analysis**

The Group recorded revenue and loss before taxation of RM1,884 million and RM0,293 million respectively.

**B2 Comparison with Immediate Preceding Quarter**

The Group recorded revenue of RM1,884 million in the current financial quarter under review. This represents a decrease of approximately RM0,502 million or 21% from the revenue of RM2,386 million recorded in the preceding financial quarter. The decrease in revenue is mainly due to the completion and billings of Alinma and Public Bank projects in the preceding quarter which stood at RM0,500 million. The Group raised less billings this quarter due to less projects secured.

The Group recorded a loss before tax of RM0,293 million as compared to profit before tax of RM0,129 million in the preceding financial quarter. The loss was attributed to lower revenue and higher cost of sales and training costs incurred for the projects.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B3 Business Prospects**

A major project was completed during the 18-month financial period ended 30 June 2015.

The classification of the Company as a GN3 Company has significantly affected the Group's ability to secure new projects.

In view of this, the Group has taken steps to reduce cost and streamline its operations.

**B4 Variance of Actual Loss from Forecast Loss**

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review.

**B5 Taxation**

There is no tax charge for the current quarter.

**B6 Corporate Proposals**

There is no new Corporate Proposal since the last financial period end 30 June 2015.

**B7 Group Borrowings and Debt Securities**

	<u>Secured</u> RM'000
<u>Current</u>	
Hire purchase	167
<u>Non-current</u>	
Hire purchase	69
<b>Total</b>	<u>236</u>

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B8 Material Litigations**

(a) **SCAN Associates Berhad ("The Plaintiff") Vs. Dato' Aminuddin Baki @ Sabtu bin Esa ("The Defendant")**

Given that the Defendant was adjudged a bankrupt on 31st October 2012, the Company had, on 12 June 2013 applied for and had, on 22 July 2013, obtained leave from the Kuala Lumpur High Court to issue the above proceedings against the Defendant.

On 20 September 2013, the Company announced that the Plaintiff had, on 9 October 2013, served a Writ of Summons dated 11 September 2013, on the Defendant who was at all material times (1 April 2004 to 9 January 2009) a director and a Chief Executive Officer of the Plaintiff ("Suit").

The High Court had, on 24 July 2015, allowed the Company's claim of RM1.7 million and dismissed the Defendant's counterclaim, with costs of RM170,000/- to be paid by the Defendant to the Company.

On 20 August 2015, the Defendant filed an appeal against the High Court's decision ("Appeal").

The Appeal's case management is on 17 May 2016 and the Court has delivered the following directions: -

- (a) that parties are to file their submissions, executive summaries and bundle of authorities by 12 July 2016;
- (b) a case management be fixed on 19 July 2016 to monitor the filing of (a) above; and
- (c) that the substantive hearing be fixed on 2 August 2016.

(b) **Industrial Court Case No. 19/4-643-11 between Dato' Aminuddin Baki @ Sabtu bin Esa ("The Claimant") Vs. SCAN Associates Berhad ("The Company")**

The Claimant's suit against the defendant is with regards to the dismissal of the claimant with effect from 9 January 2009, allegedly without just cause or excuse. The Claimant is seeking reinstatement to his former position as Chief Executive Officer of the Company.

The Claimant and the Company had submitted their written submissions on 19 May 2014 and 4 September 2014 respectively. The Claimant had subsequently filed his written submission in reply on 8 January 2015.

The suit is still pending a decision by the Court.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B8 Material Litigations (Cont'd)**

(c) **KL Sessions Court Summons No. A52NCVC-169-03/2015 between Unique Central Sdn. Bhd. ("The Plaintiff") Vs. SCAN Associates Berhad ("The Defendant")**

On 29 April 2015, the Plaintiff obtained a Judgement in Default of Appearance against the Defendant for an amount of RM112,187/- plus interest at 1.5% a month until full settlement and cost on a solicitor client basis.

A balance amount of RM105,616/- has been provided in the accounts of the Company as at 31 March 2016.

On 12 April 2016, the Company received a Garnishee Order to show cause from M/s Izauddin, Firdaus & Mahendran, the judgement creditor's lawyer. Based on the said order, Maybank Kampung Baru ("the Bank") has garnished a sum of RM133,140 from the Company's current account maintained with the Bank.

On 16 May 2016, the Bank has received an instruction from the Court to prepare the banker's cheque payable to the Plaintiff and the case is closed.

(d) **KL Magistrates Court Suit No. A72NCVC-1594-04/2015 between Convergence Networks Sdn. Bhd. ("The Plaintiff") Vs. SCAN Associates Berhad ("The Defendant")**

On 30 April 2015, the Plaintiff obtained a Judgement in Default of Appearance against the Defendant for an amount of RM39,311/- plus interest at 1.5% a month until full settlement and costs of RM782/-.

On 2 September 2015, RM8,389.11 was paid via the garnishee order. Therefore, the balance outstanding as at 31 December 2015 is RM30,922.

On 24 May 2016, the Company received a Garnishee Order to show cause from M/s Wilson Wong & Tan, the judgement creditor's. Based on the said order, Maybank Kampung Baru ("the Bank") has garnished a sum of RM41,469.78 from the Company's current account maintained with the Bank.

An amount of RM29,301/- has been provided in the accounts of the Company as at 31 March 2016.

(e) **Kuala Lumpur Sessions Court No. A52NCvC-700-12/2015 between CSF Advisers Sdn Bhd ("The Plaintiff") Vs. SCAN Associates Berhad ("The Defendant")**

On 22 December 2015, the Plaintiff obtained a Judgement in Default of Appearance against the Defendant for an amount of RM240,315.00 plus interest at 1.5% a month until full settlement and costs of RM1,000.00.

An amount of RM241,315.00 has been provided in the accounts of the Company as at 31 March 2016.

The Company is seeking legal advice with regards to this matter.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B8 Material Litigations (Cont'd)**

(f) **Letters of Demand from Creditors**

As at 19 May 2016, the Company has received letters of demand from certain creditors demanding payments totaling RM4.787 million of which RM3.619 million has already been provided in the accounts of the Company as at 31 March 2016.

The Company is in the midst of verifying the difference of RM1.168 million between the amounts demanded and the amounts provided and will negotiate with the respective creditors for an amicable solution if their demands are determined to be valid.

(g) **KL High Court Commercial No: 22NCC-283-09/2015 between a director and shareholder ("the Plaintiff") Vs. Dato' Dr Norbik Bashah Bin Idris & 7 Ors.**

On 17 September 2015, the Company was served with a writ and statement of claim filed by the Plaintiff.

The Plaintiff alleges that 7 individuals acting in concert had through an agreement, arrangement and/or understanding acquired and held in aggregate 36.03% of the total issued shares of the Company and have breached Section 218(2) of the Capital Markets and Services Act ("CMSA") and Section 9(1) of the Take-over and Mergers Code ("the Code") by failing to make a mandatory offer ("MO") to the remaining shareholders of the Company.

The Plaintiff is claiming the following relief: -

- (i) A declaration that the 7 individuals are acting in concert to obtain control of the Company.
- (ii) A declaration that the 7 individuals had breached Section 218(2) of the CMSA and Section 9(1) of the Code.
- (iii) A declaration that the requisition by certain individuals, who are part of the 7 individuals, for an Extraordinary General Meeting to remove the existing directors and appoint certain new directors is null and void.
- (iv) An order for the 7 individuals or any one of them to undertake a MO or alternatively all the shares of the Company held by the 7 individuals be vested with the Securities Commission Malaysia.
- (v) Damages and cost.

There is no relief being sought by the Plaintiff against the Company.

The case management was held on 26 February 2016 and a further case management date is fixed on 6 April 2016 for parties to update court on the status of appeal by the Defendants (except 8<sup>th</sup> Defendant) against the learned High Court Judge's decision in dismissing their striking out application.

The Court has fixed trial dates on 4th to 7 October 2016.

## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

### B8 Material Litigations (Cont'd)

- (h) KL High Court Origination Summons No. 24NCC-343-09/2015 Between Dato' Dr. Norbik Bashah Bin Idris ("the Plaintiff") Vs. SCAN Associates Berhad ("the Company") & 4 Others ("Collectively the Defendants").

On 6 October 2015, the Company was served with an Originating Summons ("OS") which was filed by the Plaintiff.

The OS by the Plaintiff is to seek the following court orders and/or relief: -

- (a) that Defendants do immediately furnish to the Plaintiff with a copy of the Record of Depositors and the Register and Index of Members;
- (b) that the Plaintiff upon being provided the Record of Depositors and the Register and Index of Members be granted with such enlargement of time of six months to convene an extraordinary general meeting;
- (c) that the costs of and occasioned by this application be paid by the Defendants to the Plaintiff; and
- (d) such further order and/or relief as this Honourable Court deems fit or just.

The application for consolidation was filed in Suit (i) 22NCC-347-10/2015. In any event, that application had been withdrawn before the Judge on 13 January 2016 with no order as to costs.

On 24 April 2016, upon the application of the Plaintiff to discontinue the OS and after hearing submissions by parties, the Court had made the following orders –

- (1) that the OS be discontinued;
- (2) that the Plaintiff undertakes not to take any proceedings based on the same facts in respect of notice of requisition dated 23 July 2015 as alleged in the OS; and
- (3) that the Plaintiff pays RM7,500 to each Defendant as costs.

The proceedings of the OS are no longer subsisting. The Company has yet to receive payment of costs from the Plaintiff.

The Company will seek legal opinion on recovery of the legal cost from the Plaintiff.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B8 Material Litigations (Cont'd)**

**(i) KL High Court Suit No. 22NCC-347-10-2015 between SCAN Associates Berhad ("the Plaintiff") Vs. Dato' Dr Norbik Bashah Bin Idris ("ex CEO"), Nurul Huda Binti Zaharol Natrar ("ex CFO") and SCAN Consulting Services Sdn Bhd ("SCSSB")**

On 30 October 2015, the Plaintiff had filed a statement of claim in the High Court of Kuala Lumpur against ex CEO, ex CFO and SCSSB (Collectively Defendants).

The ex CEO is a former director and shareholder of SCSSB who controlled and is still controlling SCSSB at all material times.

The case management before the learned judge was held on 13 January 2016 and 15 February 2016.

Trial of the Action has been fixed on 6 and 7 October 2016 @ 10 am before Justice Has Zanah binti Mehat.

**(j) Notice of Forfeiture Down Payment from Afiintra Technologies Sdn Bhd ("Afiintra")**

On 9 May 2014, SCAN Associates Berhad ("the Company") had purchased servers and related software for Broadband Power Line Project amounting to RM1,657,276.00 from Afiintra. The Company had paid RM828,638.00 as 50% down payment but as at date of report, no equipment was delivered. Furthermore, the Company did not receive any official notification on delivery or request of delivery instruction ("DI")

from Afiintra ever since the down payment was paid on 12 May 2014 until 8 November 2015. The balance 50% ie RM828,638.00 is sitting in the Company's accounts as trade creditor.

On 9 November 2015, the Company received a Notice of Down Payment Forfeiture from Afiintra with regards to down payment paid stated that numerous attempts were made to request for DI. Hence Afiintra gave the Company a final notice to provide the DI before 20 November 2015, failure to do so, they will proceed with the following actions: -

- 1) 50% down payment will be forfeited (RM828,638.00).
- 2) Afiintra will re-sell part or all of the goods stated in the agreement without prior notification to the Company.
- 3) Afiintra reserves the right to charge the Company for any storage fee incurred.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B8 Material Litigations (Cont'd)**

**(j) Notice of Forfeiture Down Payment from Afiintra Technologies Sdn Bhd ("Afiintra") (Cont'd)**

On 25 November 2015, the Company received a Notice of Down Payment Forfeiture ("the notice") from Afiintra's solicitor, Messrs. Abdul Malik & Lawrence Tan ("the Solicitor") with regards to the same subject since the Company did not respond to Afiintra's request via it's notice dated 9 November 2015. The Solicitor stated in the notice as follows: -

- 1) Despite Afiintra's notice dated 9 November 2015 requesting for the DI, the Company has failed, refused, ignored and/or omitted to do so by 20 November 2015. The goods are duly ready for delivery has been stored for more than 1 year despite repeated request for the DI from the Company.
- 2) The Solicitor been instructed by Afiintra to notify the Company that 50% down payment amounting to RM828,638.00 shall be forfeited and the goods ordered disposed off upon expiry of 7 days from the date of the notice unless the sum RM828,638.00 (excluding GST) is paid to Afiintra.
- 3) In event the goods are disposed off, the sum recovered shall be utilized to cover the losses incurred by Afiintra and to defray storage charges for the goods since the date of order.
- 4) Afiintra reserve their rights to commence legal proceeding without any further notice to the Company for any damages or losses after the above mentioned exercise.

The Company is seeking legal advice with regards to this matter.

**(k) KL High Court Suit No. WA-22NCC-175-05/2016 between Yeoh Eng Kong ("the Plaintiff") Vs. SCAN Associates Berhad ("the Company") and 9 others ("Collectively the Defendants").**

On 13 May 2016, the Company was served with a Writ and Statement of Claim filed by Yeoh Eng Kong in the High Court of Kuala Lumpur, Suit Number: WA-22NCC-175-05/2016 ("Suit"). No specific relief is sought against the Company by the Plaintiff via the Suit.

At the same time, the Plaintiff had also served a Notice of Application on the Company ("Application"). In essence, the Plaintiff is seeking Ex-Parte Order from the Court to appoint a Receiver and Manager over the Company.

During the hearing on 17 May 2016, the Plaintiff had applied for an Ad Interim Injunction before the Learned Judicial Commissioner ("JC") of the High Court. The Ad Interim Injunction sought by the Plaintiff was to:

- (a) Compel the Company to hold an Extraordinary General Meeting for the shareholders to discuss Restructuring Plan ("RP") of the Company; and
- (b) Seek an Extension of Time from Bursa Securities to submit the RP.

At the end of the hearing, the Learned JC had decided that there is no strong evidence justifying the grant of any Ad Interim Injunction, hence the Plaintiff application for Ad Interim Injunction was dismissed.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**(k) KL High Court Suit No. WA-22NCC-175-05/2016 between Yeoh Eng Kong ("the Plaintiff") Vs. SCAN Associates Berhad ("the Company") and 9 others ("Collectively the Defendants"). (Cont'd)**

On 25 May 2016, the solicitors of the Plaintiff had served an Application on the Company's solicitors, Messrs Lim, Chong, Phang & Amy. The Application was fixed for hearing on 26 May 2016.

Through the Application, the Plaintiff applies to appoint Receiver & Manager over the Company and to seek any extension of time from Bursa Malaysia Securities Berhad or to exercise any such necessary steps to preserve the listing status of the Company and to avoid and/or prevent the Company's shares from being delisted.

At the end of the hearing, the Learned Judicial Commissioner had dismissed the Application with costs of RM15,500-00 to be awarded to the Company.

On 27 May 2016 the solicitors of the Plaintiff had served the following cause papers on the Company's solicitors, Messrs Lim, Chong, Phang & Amy:

- a. A sealed Notice of Appeal ("Appeal") filed by the Plaintiff against the High Court's decision which was purportedly made on 18th May 2016; and
- b. An unsealed Notice of Motion ("Motion") filed by the Plaintiff to appoint ad interim Receiver and Manager over the Company and to seek any extension of time from Bursa Malaysia Securities Berhad or to exercise any such necessary steps to preserve the listing status of the Company and to avoid and/or prevent the Company's shares from being delisted. The Motion is purportedly fixed for hearing on 31 May 2016.

The Court of Appeal had heard the Plaintiff's Motion on 31 May 2016 and will deliver the decision on 1 June 2016.

**B9 Dividends**

There is no dividend declared and paid as at the date of this announcement.

**B10 Loss per Share**

<u>Current financial quarter</u>	<u>Financial period to date</u>
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Loss attributable to ordinary shareholders (RM'000)	(293)	(542)
Number of ordinary shares of RM0.10 issued ('000)	200,000	200,000
Weighted average numbers of ordinary shares of RM0.10 issued ('000)	200,000	200,000
Basic loss per share (Sen)	(0.015)	(0.27)
Diluted earnings per share (Sen)	N/A	N/A

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders for the financial quarter under review divided by the weighted average number of ordinary shares of RM0.10 issued.

The Company has no ordinary shares issued which have dilutive factors.

## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

### B11 Disclosure of realised and unrealised losses

The breakdown of the accumulated losses of the Group as at 31 March 2016, into realised and unrealised losses are as follows:

	31 March 2016	30 June 2015 (Audited)
	RM'000	RM'000
Total accumulated losses of the Group:		
- Realised losses	(44,546)	(44,466)
- Unrealised gain	2	464
Total	<u>(44,544)</u>	<u>(44,002)</u>

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

### B12 Additional Disclosures

	Current Quarter Ended 31-Mar-16 (RM)	Current Year To Date 31-Mar-16 (RM)
Depreciation	56,485	208,731
Gain / (Loss) on foreign exchange	27,530	28,490
Interest expense	4,415	337,801
Interest income	-	6
Gain on disposal of motor vehicles	-	33,664
Other Income	4,678	71,744
	<u>93,108</u>	<u>680,436</u>

Other disclosure items pursuant to Appendix 9B Note 16 of the ACE Market listing requirements of Bursa Securities are not applicable.